

# Iowa Medicaid Enterprise “Endeavors Update”



*A Communications Effort to Strengthen Partnerships*

## Iowa Medicaid Director’s Column

**Terry E. Branstad, Governor**  
**Kim Reynolds, Lt. Governor**

*Iowa Department of Human Services*  
*Charles M. Palmer, Director*  
*Jennifer Vermeer, Medicaid Director*

### Special points of interest:

- New Pew Report on Children’s Dental Health
- Money Follows the Person Update
- IowaCare Transition Launch
- 46th Anniversary of Medicare and Medicaid

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Welcome to the final edition of the first phase of the Iowa Medicaid Newsletter. The reader satisfaction survey is complete and the results are positive. 9 out of 10 readers would recommend the newsletter to a colleague and 100% of the respondents want the project to continue. Readers submitted ideas for future stories. From the survey it appears that we are succeeding in our goals to increase understanding of complex Medicaid issues, strengthen partnerships with stakeholders and increase transparency. I want to let you know that the newsletter will take a brief hiatus this summer and return in September. This edition of the newsletter has some in-depth articles, longer in length than our typical articles. But I think you will find

them informative and appreciate the detailed nature of the information. We point out a recent Pew report on the “State of Dental Health for Children” and Iowa’s ranking among the states; we provide an update on the Money Follows the Person project; we explain the July 1st launch of the IowaCare Redistribution plan; and we mark the 46th Anniversary of the signing of Medicare and Medicaid into law by reflecting back and looking forward. I hope you will enjoy the eighth and final story in the “Better Understanding HCBS Waivers Series” on the Physical Disability Waiver. The positive reaction to this series makes us understand that we need to continue to say more about the waivers and the associated programs.

Look for more stories this fall. Thank you again for reading and thank you for all you do to partner with Iowa Medicaid to provide health care to vulnerable Iowans.



## Pew Reports on the “State of Children’s Dental Health: Making Coverage Matter”



*“Thank you to the dentists and hygienists who provide services to our Medicaid population.”*

*Jennifer Vermeer  
Medicaid Director*

Iowa remains above the national average for the share of Medicaid-enrolled children getting dental care at a state rate of 53.8% as compared to the national average of 38.1%. However, Iowa slipped slightly in the recent Pew Center ranking of the states for children’s dental health. In 2010 Iowa received an “A” for meeting certain benchmarks of policy approaches. This year, along with 19 other states, Iowa received a “B”. Only seven states received “A” grades. Five states received a grade of “F”. According to the Pew report, the cost of not providing dental care to children is high and evidenced

in the following ways; missed school days and subsequent academic deterioration, expensive emergency room services used more often and future job prospects (as adults) are worse compared to peers who received adequate dental care. The report recognized the budget challenges facing policy makers and reported that many states are eliminating or reducing adult dental benefits for Medicaid recipients. (States are required to provide Medicaid dental benefits to children.) Pew advocates changes that states can make to improve their dental health services to disadvantaged children.

The suggestions made for Iowa include” increasing reimbursement rates for dental services and workforce solutions to improve the delivery of care to young kids.” Pew referenced the successful “I-Smile” program in Iowa. “I-Smile” is a program that helps Iowa children connect with dental services. It was created by the Iowa Department of Public Health, Iowa Department of Human Services, the University of Iowa College of Dentistry and the Iowa Dental Association.

You can learn more about the “I-Smile” program at:

<http://www.ismiledentalhome.org/>

Read the full Pew report and see the state grades at::

[http://www.pewcenteronthestates.org/initiatives\\_detail.aspx?initiativeID=85899359680](http://www.pewcenteronthestates.org/initiatives_detail.aspx?initiativeID=85899359680)

## Money Follows the Person Update: A Choice to Live Independently in the Community

The *Money Follows the Person* (MFP) Project is an effort to rebalance long term care services to home and community-based services. MFP, also known as Partnership for Community Integration Project, is a five year \$51 million grant from the Federal Centers for Medicare and Medicaid Services (CMS) to provide opportunities for individuals to move out of Intermediate Care Facilities for Mental Retardation (ICF/MR) to their own homes in the community of their choice. The MFP Project in Iowa is unique in the country because Iowa chose to focus its program on people with developmental disabilities. Grant funds provide for the transition and enhanced supports needed for the first year. The decision to move out of the facility and into the community is initiated by the individuals themselves with subsequent support from transition specialists and an interdisciplinary planning team. Since September 2008 in Iowa, 135 individuals have transitioned out of facilities and into the community. Once the individual transitions they still have a choice to move back into the facility if they find the move is not right for them. Fifteen people made the choice to return to the institution after

they transitioned to the community. There are three kinds of qualified residences to which an individual can transition. These are 1) a home that is owned or leased by the individual's family; 2) an apartment with lockable doors, living, sleeping, bathing and cooking areas; and 3) a community-based group home in which no more than four unrelated individuals live. Transition specialists are available to help the individual find the right fit and plan a budget that will support their independence. Ongoing support is a critical part of the transition process and is intense through the "demonstration year" (that important first year of transition). The individuals meet with their transition specialists at least every two weeks for a two month period and then as often as necessary to solve problems that come up. Success is measured differently for different people. Success for one individual was owning and operating a cell phone of her very own for the first time. Finding employment options or meaningful daytime activities for individuals in some communities continues to be challenging. Transition specialists continue to have some difficulty with recruiting service providers in rural

or smaller communities. Individuals leave the *Money Follows the Person* program at the end of the demonstration year. That means that the transition specialist is no longer supporting the individual through issues and obstacles. The support services likely transition to the county disability system. Qualified services under the MFP program include adult day care, consumer-directed attendant care, day habilitation, home health aide, home and vehicle modifications, interim medical monitoring, nursing, personal emergency response systems (called lifelines), prevocational services, respite services, supported community living, supported employment, transportation, mental health outreach, behavioral programming and crisis intervention services.



*"The Money Follows the Person project has been successful in giving individuals real options to live independently. There are still barriers to people moving out of institutions and in to the community and those barriers include work opportunities and affordable housing."*

*Deb Johnson  
Bureau Chief  
Long Term Care*

### A sample of "firsts" for people receiving services under Money Follows the Person:

- Scheduled their own dentist, eye doctor and physician appointments
- Hired for first job (at minimum wage)
- Cooked dinner for their mother
- Bought a cell phone; budgets and pays their own phone bill
- Participated in the Special Olympics
- Stayed overnight in a hotel
- Went grocery shopping

## Better Understanding HCBS Waivers: Physical Disability Waiver (Eighth and Final in a Series)



*“The services under this waiver can include help for people with everyday tasks that makes the difference between independent living and more costly institutional care.”*

*Sue Stairs  
HCBS Program  
Manager*



This month’s series on “Better Understanding HCBS Waivers” will focus on the Physical Disability Waiver. The Physical Disability Waiver provides services to adults age 18-64 years. As is the case with all of the waivers, these services allow individuals who would otherwise go into an institution for care to remain in their own home and in their communities. Individuals must have a physical impairment as their disability. (Individuals

must be ineligible for the Intellectual Disability Waiver.) A unique feature of the Physical Disability Waiver is that the individual must be able to hire and supervise the services themselves or hire a guardian to do so for them. Like all the other waivers, services must be cost effective. The total monthly cap on the cost of services is \$659. Services available under the Physical Disability Waiver include consumer directed attendant care,

home and vehicle modification, personal emergency response (lifeline), specialized medical equipment, transportation and consumer choices option. Funding for the Physical Disability Waiver in SFY 2010 (federal, state & local) was \$4.5 million. As of May 5, 2011, there were 849 individuals receiving services with another 94 pending approval. There are currently 1,723 individuals on the waiting list for services.

According to the Centers for Disease Control (CDC) about 1 in 5 people live with a disability. The CDC says that the Americans with Disabilities Act removed or reduced many barriers for people with disabilities. Buildings are more accessible and employment opportunities are greater. However, people with disabilities often report poorer health than people without disabili-

Physical Disability Waiver Informational Packet:

<http://www.ime.state.ia.us/docs/PDPacket.pdf>

HCBS Waiting List (Updated May 5, 2011):

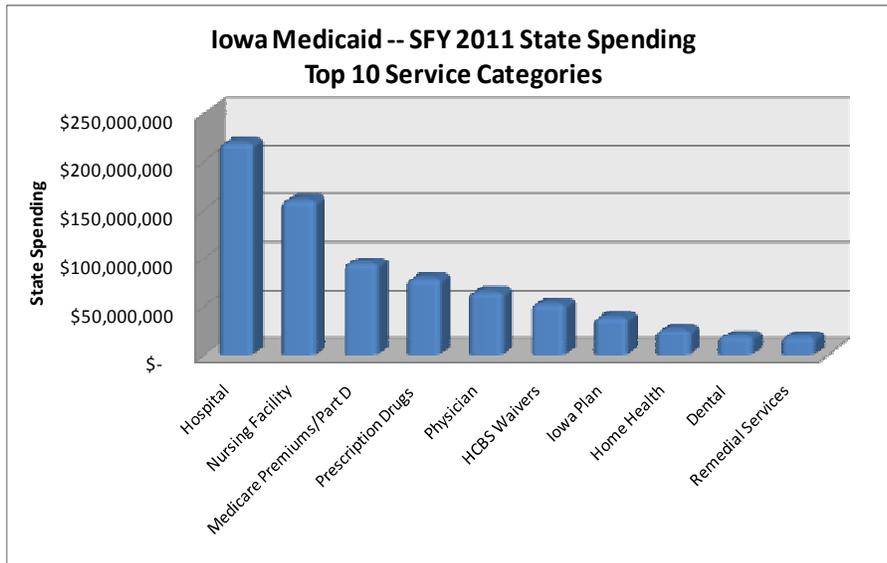
[http://www.ime.state.ia.us/docs/HCBS\\_MonthlySlotandWaitingList.pdf](http://www.ime.state.ia.us/docs/HCBS_MonthlySlotandWaitingList.pdf)

## Medicaid Projections: SFY 2011 Surplus Estimate Increased & SFY 2012 Gap Largely Eliminated

The Medicaid forecasting group met in May and increased the SFY 2011 surplus estimate from \$8 million to \$13 million. This adjustment was largely due to a redistribution between State and Federal spending. Previously, it was assumed that a hospital reimbursement increase would not qualify for higher Federal participation because the additional payments were not expected to be made until after the enhanced

Federal match rate expired on June 30<sup>th</sup>. Due to recent Federal approval, Iowa Medicaid now expects these payments to be issued prior to June 30<sup>th</sup>. The increased Federal participation resulting from this adjustment reduced the state spending estimate by \$3 million. The remaining surplus increase is due to lower Medicaid spending in both April and May. Based on the revised surplus estimate,

state spending in the current fiscal year is projected to be \$844 million. Over 90% of this spending is attributable to ten Medicaid service categories, which are outlined below. The anticipated \$565 million budget gap in SFY 2012 remains unchanged. The Department's SFY 2012 appropriation is expected to largely eliminate this gap, but at this time, final legislation has not been passed.



*“90% of state spending is attributable to ten service categories.”*

*—Joe Havig  
DHS Budget Analyst*

Reminder: The Legislative Service Agency writes a monthly Medicaid Forecast. It is available at the General Assembly Website:  
<http://www.legis.iowa.gov/LSAReports/medicaid.aspx>

## IowaCare Transition Launching July 1st: New Medical Home Assignments for Some Members

"We learned alot" said Medicaid Director Jennifer Vermeer about the effort launched last fall to improve access to health care for individuals in the IowaCare program. If you will recall, the Federally Qualified Health Centers (FQHC's) in Sioux City and Waterloo were picked to begin the first phase of establishing medical homes for individuals across the state so people would not have to travel to Iowa City for health care. IowaCare serves adults ages 19-64 who do not otherwise qualify for Medicaid, but have income levels below 200% of the federal poverty level (FPL). The IowaCare program was established in 2005 as a Medicaid Waiver 1115 program and has been seen as successful in covering uninsured adults. The initial expansion had Polk County residents receiving care at their medical home, Broadlawns Medical Center and Johnson County residents (and nine surrounding

counties) receiving care at their medical home, the University of Iowa Hospital Clinics. Peoples Community Health Clinic in Waterloo and Siouxland Community Health Center in Sioux City were established as medical homes for IowaCare residents in Black Hawk and Woodbury counties and their surrounding counties. IowaCare members in all other counties across the state still must travel to Iowa City for their care. Very early in the implementation phase the participation rate was overwhelming at the first two FQHC medical home locations. The increased number of participants and the lack of adequate infrastructure (additional local staffing) created a number of challenges that stakeholders and partners started immediately to address. Everyone involved learned lessons along the way that have resulted in phase II which is now called the IowaCare Medical Home Coverage Redistribution set for

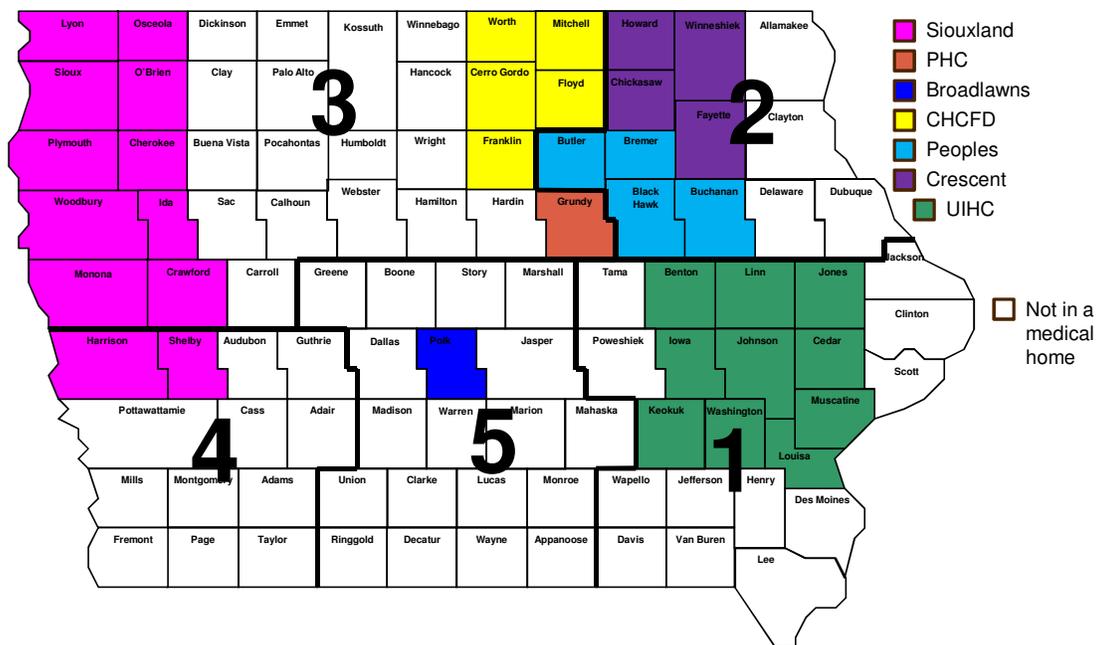
July 1, 2011. For the most part, the key ingredient of the change is a redistribution of the IowaCare members in the counties around Black Hawk. Please see the map below for graphic explanation of the changes. While this redistribution continues to strive to meet the challenge of improved access to health care, the plan still leaves members in many counties, over half of the state, needing to travel to Iowa City for health care. Affected IowaCare members are receiving letters informing them about the change. The Iowa Medicaid Call Center is fielding calls from members and helping individuals to understand what this means for their care.

*"Thank you to the people who have spent time and effort understanding the challenging first phase of the project and developing the changes necessary to make the program work better in the next phase for everyone involved, members and providers alike. IowaCare remains an important safety net service for many Iowans."*

Jennifer Vermeer, Iowa Medicaid Director

IowaCare Transition Launching July 1st: New Medical Home Assignments for Some Members

IowaCare Medical Home Coverage Redistribution for 7/1/11



Note: People not assigned to a medical home will still be served by the UIHC.

IowaCare members who have questions can call the Iowa Medicaid Member Services at:  
 1-800-338-5966  
 or living in Des Moines call 515-256-4606

## 46th Anniversary of Medicare and Medicaid: Reflect on the Past & Look to the Future

July 30, 2011, marks the 46th Anniversary of President Lyndon B. Johnson's signing of Medicare and Medicaid into law in 1965. In his remarks that day, at the Truman Library in Independence, Missouri, Johnson praised the efforts of former Presidents Harry Truman and John F. Kennedy in laying the groundwork for the legislation that he ultimately signed into law. He also praised the American tradition "against indifference to despair". "It commands us never to turn away from helplessness. It directs us never to ignore to spurn those who suffer untended in a land that is bursting with

abundance." Medicaid was established as a program implemented by the states with "both strong and weak intervention by the federal government" according to a Medicaid History written by Medicaid Director Jennifer Vermeer in 2009. The Iowa Medicaid program was implemented in 1966 and, according to an oral history conducted by CMS in 2003, Iowa Medicaid Director Don Herman (1984-1999) described the program as very few staff and not prepared to bring up the Medicaid program quickly as required on its own, so they sought assistance from the local Blue Cross and Blue Shield plan to start up the Iowa Medicaid program. They entered into a contract for administration and

set about the business of implementing this major legislation. Herman said "and it truly became administration of Medicaid in that they were not only processing the claims but they actually were interpreting federal law and applying policy and utilization of course what they were learning in Medicare and applying much of that policy in Medicaid" (CMS oral history page 249). One of the milestones in the Iowa program was the implementation of a Medicaid Management Information System (MMIS) in January of 1979. The main impetus of establishing the MMIS system was to be more cost-effective and collect data in order to better understand the financial and



July 30, 1965 Photo from the LBJ Presidential Library

## 46th Anniversary (Continued)

statistical implications of how the funds were being used. (Today, in 2011, funds are being appropriated by the Iowa General Assembly to further modernize the current MMIS system to better fit today's needs.) Another important Iowa milestone occurred in 1982 with the implementation of the Home and Community Based Services (HCBS) Waivers and the unique story of Katie Beckett and her family to move the federal and state government to allow individuals to be cared for at home. In the IME Newsletter this year you have been reading the series explaining each of the HCBS waivers. Today the HCBS waivers serve over 25,000 Iowans. According to Director Vermeer the key features of the decade of the 90's were the delinking of welfare programs (through federal welfare reform encouraging recipients to work without losing benefits) and expansion for children's coverage through the State Children's Health In-

surance Program (SCHIP) in 1996. In the first decade of the 2000's, the Iowa Medicaid program, was dealing with the challenge of increased health care costs and more stress on precious federal and state funds. This resulted in increased cost containment efforts and a major reorganization of the state Medicaid staff. In 2005, Iowa took a "new and innovative approach by contracting with nine individual "best of breed" vendors, using fixed price performance based contracts to gain greater control over the administration of the program" (Vermeer page 7). Today Iowa Medicaid has a total budget of approximately \$4.2 billion which pays claims to over 38,000 providers and serves about 656,000 Iowans or 21% of the public. Iowa Medicaid processes over 20 million medical claims each year. The recently enacted, and currently challenged in federal court, Affordable Care Act will impact Iowa Medicaid now and in the future. It is estimated that

when the eligibility is increased to 133% of federal poverty level in 2014 an additional 80,000-100,000 Iowans will be eligible for benefits. Additional future steps include the modernization of the 70's era MMIS system and incentives to health care providers to implement meaningful use of electronic health records (an improvement impossible to imagine in 1965) to improve services. Appropriately, federal and state policy makers will continue to debate and reshape the Medicaid program as it moves towards the future. Iowa Medicaid is well positioned to be ready and able to adjust to changing needs and policies.

This story borrows heavily from "Medicaid History" written and presented by Jennifer Vermeer on January 4, 2009.

You can read the CMS oral history and Don Herman's comments at the CMS website:

<http://www.cms.gov/history/downloads/cmsoralhistory.pdf>

You can read President's Johnson's full remarks at the bill signing in 1965 at the Lyndon Baines Johnson Library and Museum website:

<http://www.lbjlib.utexas.edu/johnson/archives.hom/speeches.hom/650730.asp>



*Iowa Medicaid programs serve Iowa's most vulnerable population, including children, the disabled and the elderly.*

We're on the web!

<http://www.ime.state.ia.us/>

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*The Iowa Medicaid Enterprise (IME) is an endeavor, started in 2005, to unite State staff with "best of breed" contractors into a performance-based model for administration of the Medicaid program.*

*The Medicaid program is funded by State and Federal governments with a total budget of approximately \$4.2 billion. The \$4.2 billion funds payments for medical claims to over 38,000 health care providers statewide.*

*Iowa Medicaid is the second largest health care payer in Iowa. The program is expected to serve over 656,000 Iowans, or 21% of the population in State Fiscal Year 2012.*

## **Iowa Medicaid Upcoming Events: MAAC Meeting & e-Health Summit**

*Invitation: Please join us for the next quarterly meeting of the Medical Assistance Advisory Council (MAAC) meeting on July 6th at 1:00 p.m. in the Forrest Spaulding Conference Room in the Ola Babcock Building (State Library) at 1112 E. Grand Avenue. If you are able to attend, please rsvp to the Medicaid Director's Assistant, Stephanie Clark at [sclark2@dhs.state.ia.us](mailto:sclark2@dhs.state.ia.us).*

*Find MAAC on the web!*

<http://www.ime.state.ia.us/MAAC/index.html>

*Reminder: The annual Iowa e-Health summit is set for August 11th and 12th at the Meadows Events Center in Altoona. Don't miss this opportunity to learn more about the latest on health information and technology in Iowa. Learn more at the HITREC website:*

[www.iowahitrec.org/events](http://www.iowahitrec.org/events)

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